Terms and Conditions for

Bacstel-IP Direct Submitters

For Corporate customers only

LLOYDS BANK

Terms & Conditions

1 Introduction

1.1 These Terms and Conditions in conjunction with the Digital Identification Service set out Your rights and obligations in connection with Your use of the Service as a Direct Submitter. In-House Bureau, Grade 3 User, Multi-Banked Customer, or Commercial Computer Bureau. The Terms and Conditions which apply to You will differ depending on which of these categories applies to Your Organisation. These Terms and Conditions in conjunction with the Digital Identification Service are legally binding, so You should read them carefully before You agree to them.

1.2 These Terms and Conditions replace all earlier Terms and Conditions relating to the provision of the Service and are in addition to the Terms and Conditions that apply to:

1.2.1 Your accounts with Us; and

1.2.2 the banking services that We provide.

1.3 If there is a conflict, these Terms and Conditions will prevail.

1.4 All Instructional Materials provided to You by Us and Bacs form part of these Terms and Conditions.

1.5 You must ensure all Contacts within Your Organisation comply with the User Guides and the PKI Customer Agreement.

1.6 Section 24 of these Terms and Conditions sets out the meaning of the various capitalised terms used in these Terms and Conditions.

1.7 You may not use the Digital Identification Service or ASM for use with any other product or service without the prior written consent of the Bank. Where You wish to use the Digital Identification Service or ASM with other products or services offered by the Bank these may be subject to additional terms and conditions.

2 Customers of Lloyds Bank International Limited

2.1 If the bank that holds the Account You access via the Service and which has contracted to provide the Service is Lloyds Bank International Limited You acknowledge that the Sponsoring Bank will fulfil all performance obligations in respect of the Service on its behalf and that accordingly all instructions and communications from You and any others acting on Your behalf in connection with the use of the Service must be directed to the Sponsoring Bank.

2.2 You agree that Your contractual relationship in connection with the supply of the Service will be with Lloyds Bank International Limited.

2.3 The Sponsoring Bank may require the disclosure by Lloyds Bank International Limited of information related to the Account (including information stored on its database). You authorise Lloyds Bank International Limited to disclose all such information as may be requested by the Sponsoring Bank in pursuance of the supply of the Service to You.

3 Use of the Service

Direct Submitters, In-House Bureaux and Grade 3 Users

3.1 You shall, and shall ensure that Contacts, only use the Service in connection with Bacs for submitting Transmissions directly to Bacs or for collecting reports from Bacs for Your own Service User Number(s) which:

3.1.1 if You are a Direct Submitter or an In-House Bureau, specifies an Account maintained by You as the account to be debited or credited; or

3.1.2 if You are a Grade 3 User, specifies an Account maintained by You in respect of which a contra-instruction exists which substitutes for that Account an account held by the Office of Her Majesty's Paymaster General with the Bank of England as the account to be debited or credited; or

3.1.3 makes changes to the details held on the Reference Database about, or associated with, an Account or provides access to any other information held by Bacs relating to that Account including, without limitation, any information relating to the processing of payments made or to be made to or from that Account.

Multi-Banked Customers

3.2 Where We provide the Service, You shall, and shall ensure that Contacts, only use the Service in connection with Bacs for submitting Transmissions directly to Bacs or for collecting reports from Bacs for Your own Service User Number(s) which :

3.2.1 specifies as the account to be debited or credited either:

(a) an Account maintained by You; or

(b) a Nominated Account maintained by You; or

3.2.2 make changes to the details held on the Reference Database about, or associated with, an Account or a Nominated Account or provide access to any other information held by Bacs relating to that Account and/or Nominated Account including, without limitation, any information relating to the processing of payments made or to be made to or from that Account and/or Nominated Account.

3.3 Where another bank is providing the security credentials to access the Bacstel-IP service We agree to settle payments associated with Transmissions, submitted by You using such other Bank's Bacstel-IP service as We may from time to time agree, from Your Account provided that You have entered into a mandate agreement with Us to enable Us to operate Your Account in accordance with, among other things, instructions issued by way of such Transmissions.

Commercial Computer Bureaux

3.4 You shall, and shall ensure that Contacts, only use the Service in connection with Bacs for submitting Transmissions directly to Bacs or for collecting reports from Bacs on behalf of:

3.4.1 in the Multi Certificated Commercial Bureau Model, any Service User authorised by Us where the Account is with Us; or

3.4.2 in the Thin Client Model, any Service User authorised by any other member of Bacs where that Service User always signs the relevant Submission itself; or

3.4.3 in the Different Member Model, any Service User authorised by any other member of Bacs to submit Transmissions to You pursuant to Section 3.5 below which specifies an account maintained by such other Service User with such other member as the account to be debited or credited.

3.5 You may process for any other Service User Transmissions submitted to You using the Service provided that such Service User has been registered on the Reference Database by the member of Bacs that sponsored such Service User.

All customers

3.6 If You have been authorised by Us to use the Alternative Security Method (ASM) to access the Bacs System via the Service, You may use ASM to access and collect reports and modify certain reference data on the Bacs System.

3.7 You shall not be permitted to use ASM to access and collect reports from the Bacs System in Your capacity as Service User pursuant to Section 3.6 except via a Contact who is authorised to use ASM.

3.8 You shall not, and shall ensure that Contacts shall not, use Keys, Digital Certificates, Smart Cards, Software or other item supplied to You for use in connection with the Service for any unlawful purposes.

3.9 You shall not, and shall ensure that Contacts do not, use any service other than the Service for submitting Transmissions to Bacs for your Service User Number(s).

4 Security

4.1 Before You can use the Service You must set up Your own appropriate security procedures in accordance with the Bacstel-IP Service User Guide.

4.2 You are responsible for ensuring that each Contact complies with the security procedures set out in the User Guide, these Terms and Conditions and the PKI Customer Agreement at all times.

4.3 You acknowledge that We or Our licensors own all Digital Certificates and Smart Cards issued to You, including accompanying technical specifications and service marks.

4.4 You are responsible for ensuring that each Smart Card user complies with your own security procedures, these Terms and Conditions, the PKI Customer Agreement and any other Bank/Bacs advised procedures set out in the User Guides.

4.5 You shall ensure that all Contacts check the information and data provided through the Service. If any such information or data is incorrect or incomplete, You must ensure that We are informed of this by following the advised Bank procedures.

4.6 You shall notify Us without delay by calling the Lloyds Bank Bacstel-IP helpdesk at any time if You become aware of or suspect:

4.6.1 any breach of or non-compliance with these Terms and Conditions, PKI Customer Agreement or the Service Requirements by any Contact or other person within Your Organisation or, where You are a Commercial Computer Bureau or In-House Bureau, by any of Your customers; or

4.6.2 any loss, theft, misappropriation or unauthorised use of a Smart Card or HSM or any fraud in or breach or compromise of the security affecting the Service, giving reasonable details of the circumstances.

4.7 You shall make any notification to Us under this Section 4 in accordance with Section 16.3. We may require the notification to be confirmed in writing before taking any action.

5 Carrying out Your instructions

5.1 You must not allow anyone other than Contacts authorised by You to use the Service.

5.2 You agree that the Primary Security Contacts are authorised by You to conduct Administration and that We do not need any further instruction or confirmation from You to implement the changes made by a Primary Security Contact performing Administration. You will inform Us in writing of any changes that We need to make.

5.3 You agree that any Contact may validly give instructions electronically through the Service in connection with any Service User Number or Account (or a bank account with another member of Bacs where relevant) which You have authorised that Contact to access through the Service and You acknowledge that Bacs will act on such instructions.

5.4 The Bank shall be entitled to rely on, and the Customer shall accept full liability for, any Bacstel-IP Transmission Signed using a Private Key and Digital Certificate issued by the Digital Identification Service to the Customer, provided that:

5.4.1 the Digital Certificate used to Sign such Bacstel-IP Transmission is valid has not expired has not been revoked or suspended;

5.4.2 the Bacstel-IP Transmission does not contravene the levels of authorisation and permission set out in the Reference Database in relation to the relevant Service User whose Contact has used its Digital Certificate to Sign such Bacstel-IP Transmission.

5.5 If an instruction is found by You to have been incorrect We will not be liable for any loss, damage or expense whatsoever incurred as a consequence thereof but if We are promptly notified of any incorrect instruction We will make reasonable efforts to recover the funds and shall be entitled to make a charge for such activity. For procedures in relation to Transmissions sent in error, please refer to the relevant Section of the Bacstel-IP Service User Guide.

5.6 We may, if We think it is justified, decline to validate an instruction and insist on written confirmation of that instruction from an Authorised Signatory.

5.7 You may submit instructions for a Transmission at any time but instructions will be processed only on Business Days during the operational hours referred to in the Bacstel-IP Service User Guide.

6 Confidentiality

6.1 You shall keep any Bacs Confidential Information which You receive confidential at all times, and shall not:

6.1.1 use such Bacs Confidential Information or any part of it for any purpose other than its use in Bacstel-IP or any payment, clearing or other scheme run by Bacs; nor

6.1.2 disclose such Bacs Confidential Information or any part of it to any person other than to those employees, agents, contractors or any member of Your Organisation to whom disclosure is necessary for their use of Bacstel-IP or any payment, clearing or other scheme run by Bacs, provided that You ensure that such persons to whom Bacs Confidential Information is disclosed are at all times subject to and maintain this obligation of confidentiality.

6.2 You are entitled to disclose the Bacs Confidential Information:

6.2.1 to the extent necessary to comply with these Terms and Conditions;

6.2.2 to a third party to the extent that this is required by any court of competent jurisdiction or by a governmental authority or regulatory authority or that a disclosure is legally required; and/or

6.2.3 where You are able to do so without breaching any legal or regulatory requirements, in which event You will give the owner of the Bacs Confidential Information in question written notice as soon as reasonably practicable of the intended disclosure.

6.3 These obligations do not apply to information which:

6.3.1 You can show was known by You before You received such information (or learned of the same) under or in connection with Bacstel-IP or any payment, clearing or other scheme run by Bacs and had not previously been obtained under an obligation of confidence; or

6.3.2 is in or comes into the public domain, and has not come into the public domain through a breach of these Terms and Conditions or any other confidentiality obligation; or

6.3.3 You can show was independently developed by You; or

6.3.4 is disclosed to You without restriction and without breach of any obligation of confidentiality by a third party who has the right to make such disclosure.

6.4 Where You cease to participate in Bacstel-IP or any payment, clearing or other scheme run by Bacs, You shall not be entitled to keep any Bacs Confidential Information except to the extent that You are required to do so in order to comply with any Applicable Requirements or to maintain a record of Transmissions or any other materials relating to Your participation in Bacstel-IP. The provisions of these Terms and Conditions continue to apply to You for so long as You retain any such Bacs Confidential Information.

6.5 You agree to keep confidential all copies of the Software and the Information.

6.6 You agree to:

6.6.1 secure and protect all copies of the Software and the Information in a manner consistent with Your obligations under these Terms and Conditions; and

6.6.2 take appropriate action, in order to satisfy Your obligations under these Terms and Conditions, by instruction or agreement with Your employees, temporary employees, consultants or other third parties who are permitted access to such Software and/or the Information. You agree to notify Us immediately of the occurrence of, and the circumstances surrounding, any unauthorised use, possession or knowledge of all or any part of any Software or Information which becomes known to You.

6.7 The provisions set out in these Terms and Conditions are in addition to (and not in substitution for) all other confidentiality obligations between You and Us, Bacs and/or any member of Bacs, and any software provider.

7 Data protection

7.1 The Bank and You shall at all times comply with the DPA and any other applicable regulations or legislation, and in particular with the data protection principles set out in the DPA.

7.2 Where personal data is provided or disclosed by You to Us or Bacs, You will ensure that all necessary consents have been obtained from the persons to whom those data relate and that the purpose of the data processed is understood by Contacts, allowing Us and Our data processors (including Bacs) to receive such personal data and to use and process it in order to:

7.2.1 provide the Service to You; and

7.2.2 validate and process Transmissions submitted by or on behalf of You.

8 Intellectual Property Rights

8.1 All right, title, interest and Intellectual Property Rights in the Bacstel-IP Materials shall vest in Bacs or its licensors, and, except to the extent set out in these Terms and Conditions, You shall obtain no right, title or interest in any Bacstel-IP Materials or in any Intellectual Property Rights therein.

8.2 All right, title, interest and Intellectual Property Rights in the User Guides shall vest in the Bank or Bacs, and, except to the extent set out in these Terms and Conditions, You shall obtain no right, title or interest in any User Guides or in any Intellectual Property Rights therein.

8.3 We hereby grant You a licence to use and copy (but not to sublicense) the Bacstel-IP Materials (other than any documents, information and other materials relating to Bacs) and the User Guides, but only to the extent necessary to enable Contacts to Sign, submit and receive Transmissions.

8.4 If You are a Commercial Computer Bureau, You shall have the right to sub-license the Bacstel-IP Materials (which, for the avoidance of doubt, does not include the Software and Information) to Your customers, but only to the extent necessary to enable such customer to sign, submit and receive Transmissions or to access the Bacs System via ASM.

8.5 We give no warranty that the Bacstel-IP Materials and User Guides licensed to You shall not infringe the Intellectual Property Rights of any third party.

8.6 The licence set out in Section 8.3 shall terminate automatically on any termination or suspension of Bacstel-IP by Bacs and/or any termination or suspension of the Service by Us.

8.7 On such termination, You must destroy all copies of the Bacstel-IP Materials and User Guides provided to You or which are otherwise in the Contacts' possession, custody or power.

8.8 If You are a Commercial Computer Bureau and You have sublicensed any Bacstel-IP Materials to any of Your customers in accordance with Section 9.4, You shall procure the destruction of, such Bacstel-IP Materials, including all copies.

9 Bacs Applicable Requirements

You shall:

9.1 comply at all times with all Applicable Requirements; and

9.2 obtain and maintain at all times all licences, consents, permissions and authorisations and ensure that You advise Us of any changes to customer reference/contact data necessary to sign, submit or receive Transmissions (including, without limitation, data relating to the import or export of any equipment, software or technology).

10 Overseas dispatch of the Smart Card

We maintain the right not to dispatch Smart Cards and/or any security and Instructional Materials to addresses outside the United Kingdom.

11 Introduction of viruses

You shall use all reasonable care (including, without limitation, the use of up-to-date Virus checking software) to prevent the introduction of any Viruses into, or any Virus contamination (including cross-contamination) of:

11.1 any Transmissions; or

11.2 the Service; or

11.3 any ASM or PKI-based service used by any other participant to access Bacstel-IP; or

11.4 any Bacstel-IP related hardware or software.

12 Liability for loss

12.1 Subject as otherwise provided in these Terms and Conditions We are only liable for direct losses to You, and then only if caused by Our negligence or deliberate default. We will not be liable for indirect or consequential loss. We will not be liable for any loss, liability or cost arising as result of the acts or omissions of any person who is not party to the agreement between You and Us. Examples where We are not liable include:

12.1.1 incompatibility between Your System and the Service or the Software;

12.1.2 anything beyond Our reasonable control that disrupts the Service or causes Your instructions to be delayed or not acted upon including but not limited to any abnormal or unforeseeable circumstances, acts of God, expropriation or confiscation of facilities, any form of war, hostilities, rebellion, terrorist activity, local or national emergency, sabotage or riots, floods, fires, explosions or other catastrophes or natural disasters, Our compliance with any law or governmental order, rule, regulation or direction or failure of equipment, software or communications networks or other circumstances affecting the supply of goods or services.

12.2 Our entire liability to You in contract, tort (including negligence), misrepresentation, restitution or otherwise arising out of the performance or contemplated performance of the agreement between You and Us and/or Your use of the Service in any period of 12 months (or such lesser period as the agreement has been in force) up to the date when the liability was incurred, shall not exceed: (a) the amount (if any) necessary to reimburse You in respect of any transaction as required by law, plus (b) the amount of the fees paid by You for the Service in respect of that period or the sum of £5,000 whichever shall be the greater.

12.3 You must compensate Us for any loss We suffer as a result of You breaching any of these Terms and Conditions or allowing any Contact to do so.

12.4 Without prejudice to Our liability in no event shall We or any of Our licensors be liable for any special, indirect, incidental, consequential or punitive losses or damages (including losses or damages for any lost revenues, profits or data), even if advised or made aware of the possibility of any such losses or damages and regardless of whether the claim:

12.4.1 relates to the Software, any third party software product or the performance or non-performance thereof; or

12.4.2 is based on breach of contract or warranty, negligence or other tort, strict liability or other theory of liability.

12.5 Nothing in these Terms and Conditions shall operate to exclude or restrict Our liability for death or personal injury caused by Our negligence or Our fraudulent acts.

13 Legal effectiveness and admissibility of Electronic Signatures and Digital Certificates

13.1 All Transmissions Signed by or on behalf of a Contact using a Private Key and Digital Certificate issued by the Service to You shall have the same legal effect, validity and enforceability as if such Transmission had been in writing signed by or on behalf of the Contact, provided that:

13.1.1 the Digital Certificate is within its validity period; and

13.1.2 the recipient of the Transmission requests a validation of such Digital Certificate and the response received to such validation request is a Good Response.

13.2 You and each Contact shall not challenge the legal effect, validity or enforceability of a Transmission on the basis that:

13.2.1 such Transmission is in electronic rather than written form;

13.2.2 You or any other Contact did not see, check or review the contents of the Transmission before or when Signing it;

13.2.3 the Transmission was Signed automatically or without direct human instigation or intervention (whether by a Hardware Security Module or otherwise);

13.2.4 the Transmission, or the Signing, transmission and processing of the Transmission, constitutes a breach by You of these Terms and Conditions or of the provisions or terms of use of any relevant third party provider or third party trust scheme;

13.2.5 a Contact exceeded his authority to act on behalf of You or was not so authorised at all in relation to the content of the Transmission; or

13.2.6 a Contact did not sign the Transmission or the Transmission was not Signed using the Digital Certificate.

13.3 You shall be liable for Transmissions signed using the Keys and Digital Certificates issued to You and Your Contacts, unless and until You have notified Us that any Digital Certificate has been lost, stolen, damaged or blocked.

13.4 We shall be entitled to rely on, and You shall accept full liability for, any Transmission Signed using a Private Key and/or Digital Certificate issued by the Service to You, provided that:

13.4.1 the Digital Certificate used to Sign such Transmission is valid, has not expired, has not been revoked or suspended and You have not requested that it be revoked or suspended; and

13.4.2 the Transmission does not contravene the levels of authorisation and permission set out in the Reference Database in relation to the holder of the Digital Certificate used to Sign such Transmission.

13.5 Digital Certificates can only be revoked in accordance with the procedure advised in the User Guides provided.

13.6 All Bacstel-IP Transmissions submitted using ASM shall have the same legal effect, validity and enforceability as if such Bacstel-IP Transmissions had been in written rather than in electronic form provided that each party wishing to rely on such Bacstel-IP Transmissions has complied with the procedures relating to the use of ASM in the Service Requirements.

13.7 You shall not challenge the legal effect, validity and enforceability of a Bacstel-IP Transmission (including, in relation to this Section 13.7, any transmission that purports to be a Bacstel-IP Transmission) on the basis that:

(a) such Bacstel-IP Transmission is in electronic rather than written form; or

(b) the Bacstel-IP Transmission constitutes a breach by You of these Terms and Conditions.

14 Suspension, Withdrawal or Termination

14.1 We may suspend or terminate, or withdraw or cease to provide the Service to You:

14.1.1 on 30 days written notice to You; or

14.1.2 with immediate effect in any of the following circumstances:

(a) if Bacs has suspended or withdrawn its authorisation for the Service or ASM to be used in connection with Bacstel-IP; or

(b) where We consider it appropriate to do so in order to protect the security, integrity or reputation of Bacstel-IP; or

(c) where, in Our opinion, You are in breach of any provision of these Terms and Conditions (including, without limitation, any breach of the Service Requirements) or any other arrangement with Us, or You have caused an unauthorised overdraft; or

(d) You have given Us notice under Section 4.6 above; or

(e) where:

(i) You become unable to pay Your debts within the meaning of Sections 123 or 268 of the Insolvency Act 1986 or any amendment to or re-enactment of such legislation; or

(ii) a resolution is passed or a petition is presented for Your winding up; or

(iii) You compound with or enter into any arrangements with creditors; or

(iv) a receiver or administrator is appointed over any of Your property or assets or an administration application is presented or made for the making of an administration application order or a notice of intention to appoint an administrator is issued or a notice of appointment of an administrator is filed with the court; or

(v) You are dissolved or become bankrupt; or

(vi) any action is taken in any jurisdiction which is similar or analogous to any of the events set out in this Section 14.1.2 (e); or

(vii) in the case where payments are made under a credit line there is in Our reasonable opinion a significantly increased risk that You may be unable to fulfil Your obligation to pay.

(f) If You fail to maintain an account with the Bank.

14.2 Upon any suspension or withdrawal of the Service in accordance with these Terms and Conditions:

14.2.1 You shall not (and shall ensure that Your employees, contractors and agents shall not) Sign or submit any Transmissions using the Service or use the ASM or HSM after such suspension or withdrawal unless and until, in the case of a suspension, such suspension is lifted by Us giving written notice to that effect to You; and

14.2.2 You shall ensure that any hardware, software or documentation issued by Us and Bacs is returned to Us (or destroyed).

14.3 Subject to Clause 14.1.2, this Agreement may be terminated at anytime by You giving Us not less than 30 days notice.

14.4 Where any Contact ceases to be authorised by You to use the Service, You will immediately arrange to remove that Contact from the Service and ensure the cancellation and destruction of their Smart Card/Certificate.

14.5 Ending Your use of the Service will affect Your instructions in the following way: if We have acted upon such instructions, We will try to cancel them at Your request if it is reasonable and possible to do so.

14.6 Unless to do so would compromise reasonable security measures or is otherwise unlawful, in any case where We suspend the Service or access thereto We will send You a notice giving Our reasons for doing so. If We are unable to send You prior notice We will do so as soon as practicable thereafter. When the reasons for suspension have ceased to prevail We will notify You that the supply of the Service has been resumed and will take such other action as is appropriate in pursuance thereof.

15 Communications and electronic records

15.1 The Sponsoring Bank (including its subcontractors) and/or Bacs may monitor and record communications with You, Your agents, employees and contractors (including, but not limited to, Transmissions) for any purpose connected with Bacstel-IP which the Sponsoring Bank (including its subcontractors) and/or Bacs consider appropriate.

15.2 Records and audit logs maintained by the Sponsoring Bank or Bacs in relation to the Service, any Transmission or Bacstel-IP communication shall be deemed to be accurate until the contrary is proved, and the burden of proof that they are inaccurate shall lie with You.

16 Contacting each other

16.1 We may contact You by post, telephone and electronically using the last details You supplied Us.

16.2 We may contact the Authorised Signatory or Contact. It will be the responsibility of these persons to pass on any relevant information to Contacts or appropriate persons.

16.3 You can contact Us in writing at Lloyds Bank plc, P.O. Box 72, Bailey Drive, Gillingham Business Park, Gillingham, Kent, ME8 0LS or by calling the Lloyds Bank Bacstel-IP helpdesk on 0870 9025210 or such other number as We may notify to You.

16.4 We will update You in writing of any changes to contact details and/or procedure.

16.5 All notices or other communications between the parties shall be in the English language.

17 About Our charges

17.1 We will charge You fees for the Service and/or Smart Cards monthly in arrears. If We increase the fees or introduce a new fee or charge, We will give You at least 30 days written notice before the change takes place.

17.2 We may debit those fees and charges from Your nominated current account or Your principal account if You fail to nominate one.

17.3 Details of Our charges are advised in Our sales brochure.

18 Our right to make changes to these Terms and Conditions

18.1 We have the right to make changes to these Terms and Conditions at any time including changes to ensure compliance with legal or regulatory requirements, to rectify errors or omissions or to take account of reorganisations within Lloyds Banking Group, to change the scope of the Service, to improve security or to take account of changes to systems. Changes will be notified to You in writing by post or by email and in either case may direct You to the Commercial Banking website www.lloydsbankcommercial.com where details of the change are posted.

18.2 If the change is to Your disadvantage, We will give You 30 days' prior notice before We make the change. You may by notice in writing to be received by the Bank no later than 60 days after the date of the Bank's notice terminate Your agreement for use of the Service with immediate effect and without having to pay any extra charges for doing this. If the change is not to Your disadvantage, We may make the change immediately and tell You about it in writing within 30 days. If We have made a major change or a lot of minor changes in any one year, We will send You a copy of the new Terms and Conditions or a summary of the changes or direct You to the Commercial Banking website www.lloydsbankcommercial.com where the latest Terms and Conditions and/or a summary of the changes are posted.

18.3 Copies of the latest documents comprising these Terms and Conditions and all other documents and material referred to herein are available to You on request from Your relationship manager and at www.lloydsbankcommercial.com

19 The validity of these Terms and Conditions

We have made every attempt to ensure the fairness of these Terms and Conditions. If any part proves not to be legally valid because it is unfair, it will not affect the rest and We are entitled to treat that term as changed in a way that makes it fair and valid.

20 Assignment and third party rights

We may transfer any and all of Our rights and duties under these Terms and Conditions. The Sponsoring Bank shall be entitled to enforce any provisions of these Terms and Conditions but otherwise a person who is not a party to these Terms and Conditions shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of these Terms and Conditions.

21 Payment Services Regulations

The Payment Services Regulations 2009 as amended or supplemented from time to time shall apply to this agreement except that all the provisions contained in those regulations which can be excluded in agreements with large businesses are excluded to the fullest extent possible.

22 Highest Level of Service

We aim to provide the highest level of service but if You should experience any problem We will seek to resolve it as quickly and efficiently as possible. A copy of the leaflet entitled "How to voice your concerns" may be obtained from Your relationship manager or business team on request or from any of Our branches. Our complaint procedures may be found at www.lloydsbankcommercial.com/contactus.

23 Governing law

These Terms and Conditions (and any non-contractual obligations arising out of or in connection with Our agreement with You) shall be governed by English law and You submit to the exclusive jurisdiction of the English courts.

24 Definitions

To help Your understanding of wording or phrases used in these Terms and Conditions, We include these definitions for Your assistance.

Account: means an account with the Bank nominated by an Organisation for Bacstel-IP transaction payments and receipts. This account may be an individual account or a group account.

Administration: means the facility provided through Bacstel-IP to allow Contacts (depending on their granted privileges) to:

- set up new Contacts;
- allocate Contact access rights;
- amend Contacts' details;
- amend Contacts' access rights; and
- suspend or delete a Contact's authority.

Alternative Security Method/ASM: means a non-PKI-based method of accessing the Service using a Contact ID and Password to provide secure access to low-risk functions on the Bacs payments services web channel (e.g. accessing reports, maintaining non sensitive reference data).

Applicable Requirements: means any requirements in relation to Your use of the Service advised by Bacs in any form, whether in paper or electronic copy or given verbally, from time to time (including any guidelines set out in instruction materials, for example, the Bacstel-IP Materials) and any law, regulation, order, rule, guidance, voluntary code or standard applicable to You (including without limitation, all import and export controls and requirements).

Approved Software: means software which has been approved through the Bacs Approved Software Service.

ASM Contact: means a Contact who accesses the Service via the ASM.

Authorised Signatory: means an authorised signatory on one or more Accounts who is designated by the Organisation under an authority or mandate given by the Organisation to the Bank as having authority to:

- apply for the Service on behalf of the Organisation; and
- appoint other Contacts.

Bacs: means Bacs Payment Schemes Limited and/or VocaLink as appropriate (and any successor entity or entities thereof).

Bacs Confidential Information: means all information of Bacs and any member of Bacs which is disclosed or made available to You in connection with, or for the purposes of using, Bacstel-IP and the Service and which:

- is by its nature confidential;
- is designated as confidential by the party who discloses it or to whom it relates; or
- You know or ought reasonably to know is confidential, including (without limitation):
- information relating to any customer of the Bank or any member of Bacs;
- any person to whom the Bank or any member of Bacs provides a service or any customer of such a person;
- information relating to the operation, internal management, structure, personnel, policies or business strategies of Bacs, the Bank, any member of Bacs or Bacstel-IP; and
- computer object or source codes and related documentation.

Bacs System: means the system relating to the automated clearing and settlement of payments operated by Bacs.

Bacstel-IP: means a service providing a highly secure access channel into Bacs using internet technologies and PKI to allow access to Bacs' payment services, including payment file processing, report accessing, etc, which carries out some online validation of Submissions.

Bacstel-IP Materials: means any materials, provided by Bacs to You or other Contacts in connection with the Service, including the Bacstel-IP Service User Guide.

Bacstel-IP Service User Guide: means the document entitled 'Service User Guide – Bacstel-IP' (Bacs document reference PN3763) provided by Bacs, as amended from time to time.

Bacstel-IP Transmission/Transmission: means an instruction, message, file, data or other communication which is transmitted in electronic form via Bacstel-IP to or from Bacs including (without limitation) any such communication which allows access to or changes to be made to the 'Reference Database'. This data may consist of all or part of a Submission. Each Transmission must involve a transport header (in XML).

Bank: means the bank that holds the Account You access via the Service, being any of Lloyds Bank plc or Lloyds Bank International Limited.

Business Day: means a day (excluding Saturday and Sunday) on which banks are generally open for business in England.

Commercial Computer Bureau: applies where You are a commercial computer bureau which is authorised by Us to make submissions to, receive output from or collect reports from the Bacs System on behalf of Your customers who may supply You with data in a variety of formats. Your customers may be authorised to use Bacstel-IP by any member of Bacs regardless of Your banking arrangements.

Contact: means a person who is authorised to access and use the Bacs System via Bacstel-IP (either using Digital Identification Service or ASM) on behalf of a member of the Bacs System (including for the avoidance of doubt the Bank) or a Service User (as the case may be).

Contact ID: means a unique alphanumeric identification code of up to 18 characters generated from a Contact's surname and a 6-digit number which is used for ASM with a Password.

Commercial Banking website: means the website and associated services of the Bank appearing at www.lloydsbankcommercial.com or any other URL as the Bank may select.

Different Member Model: applies where:

(i) You are a Commercial Computer Bureau which makes Transmissions using the Service;

(ii) You accept payment instructions relating to such Transmissions from Your customers in connection with their accounts with other members of the Bacs System; and

(iii) such payment instructions are not authenticated using the PKI service of such other members.

Digital Certificate: means a data structure used in PKI to bind an individual (as identified by the Distinguished Name) to a Public Key, the corresponding Private Key being securely owned by that individual. A Digital Certificate is issued by a trusted certification authority. For Bacstel-IP, Digital Certificates may be held on a Smart Card or an HSM.

Digital Identification Service: the access and use of the Public Key Infrastructure (using the Software, Hardware and Smart Cards and/or HSM(s)) provided to You by or on behalf of the Bank on separate terms and conditions.

Digital Signature: means the result of hashing data and encrypting the hash using a Contact's Private Key. Successful verification of a Digital Signature using the Contact's Public Key provides a guarantee to a recipient that the signed file came from the person who sent it and that it has not altered since it was signed. The signature is attached to the file or message before it is sent.

Direct Submitter: means a Service User who submits Transmissions directly to Bacs via Bacstel-IP and includes, but is not limited to, In-House Bureaux, Grade 3 Users, Multi-Banked Customers and Commercial Computer Bureaux.

Distinguished Name: means a unique piece of information allocated to a Contact, partly based upon the Contact's name, which is held on the Contact's Digital Certificate. This information is recorded on Bacstel-IP when a Smart Card/Certificate is registered.

DPA: means the Data Protection Act 1998.

Good Response: means that the Digital Certificate is 'active' – i.e. that it has not been revoked or suspended.

Grade 3 User: applies where Your Account is an account in respect of which a contra instruction exists which substitutes for that Account an account held by the Office of Her Majesty's Paymaster General with the Bank of England.

Hardware: means the equipment used in the operation of the Service.

Hardware Security Module/HSM: means a hardware device used for the secure storage of data, particularly PKI credentials such as Private Keys and Digital Certificates which can be used by a Contact to effect unattended Submissions to Bacstel-IP.

Information: means the information accompanying the Software.

Infringement Claim: means threatened or pending judicial action brought against You alleging that Your use of the Software infringes a valid United States patent or copyright or constitutes misuse or misappropriation of any United States trade secret.

In-House Bureau: applies where You are a service department or office of an Organisation which makes submissions to and/or receives output from the Bacs System via the Service from a single Service User Number on behalf of various other Service Users belonging to the same Organisation.

Instructional Materials: means all documents, information and other materials provided or made available to the Organisation, its employees, contractors or agents at any time by or on behalf of the Bank or Bacs in connection with the implementation and operation of Bacstel-IP, including, without limitation, the Bacstel-IP Service User Guide.

Intellectual Property Rights: means all intellectual property rights in any part of the world and includes, without limitation, patents, rights in inventions, registered and unregistered trade marks, rights in business and trade names and get-up, rights in domain names, registered designs, unregistered rights in designs, copyrights, database rights, rights in know how, and in each case rights of a similar or corresponding character and all applications and rights to apply for or for the protection of any of the foregoing.

Keys: means the Private Key and the Public Key.

Lloyds Banking Group: means Lloyds Banking Group plc and its subsidiaries for the time being.

Multi Banked Customer: applies where You have Bacs System settlement accounts at more than one bank.

Multi Certificated Commercial Bureau Model: means the model where a Commercial Computer Bureau:

(i) makes Transmissions to or collects reports from Bacs using the Service where the Transmission specifies an Account; and

(ii) uses a digital certificate obtained through a service provided by another member of the Bacs System where the Transmission specifies an account held with such other member.

Nominated Account: an account maintained by You with such other bank as We may from time to time agree.

Organisation: means a customer organisation sponsored by the Sponsoring Bank to use the Service.

Password: means the ASM access code associated with a Contact ID as issued by the Bacs System to the relevant ASM Contact or subsequently changed by the Bacs System or any ASM Contact as contemplated by (amongst other documents) the Bacstel-IP Service User Guide.

Public Key Infrastructure/PKI: means a set of infrastructure services that supports the use of Public Key-based Digital Signatures and encryption. PKI security is used by Bacstel-IP. Each Contact has a Public Key and a Private Key. Messages signed with the Private Key can only be verified with the associated Public Key.

PKI Customer Agreement: means an agreement between You and Us relating to the access and use by You of the Digital Identification Service. (A copy of it can be found at www.lloydsbankcommercial.com/corporate-terms/lloydsbank/pki-agreement/ or such other address as We may specify, from time to time.)

Private Key: means a cryptographic key used in PKI which must be kept private to the Contact and which has an associated Public Key. In Bacstel-IP, the Private Key is used for Signing.

Public Key: means a cryptographic key used in PKI which is contained in the Digital Certificate and which is associated with a specific Private Key. In Bacstel-IP, the Public Key is used for signature verification purposes.

Reference Database: means the database held by Bacs which records details input by Bacs, the Bank and the Organisation, as the case may be, about the Organisation, including, without limitation, the levels of authorisation and permission in relation to Transmissions submitted to Bacs by the Organisation as part of Bacstel-IP.

Service: means facilitation of access provided to the Bacs System for the purposes of submitting Bacstel-IP Transmissions directly to the Bacs System using the Digital Identification Service or ASM.

Service Requirements: means the guidelines relating to the use of the Service issued by Us and Bacs from time to time, including the Instructional Materials.

Service User: means a company, group of companies, charity, Financial Institution, etc that is sponsored by the Sponsoring Bank to use one or more Bacs service.

Service User Number: means a 6-digit number allocated by the Sponsoring Bank to a Service User to identify it uniquely to Bacs.

Sign: means the use of a person's Private Key and associated Digital Certificate to create a Digital Signature on or for a Transmission, and 'Signed' and 'Signing' shall be construed accordingly.

Smart Card: means a plastic card with an embedded microchip that is used to store a Contact's Digital Certificate (Public Key and Private Key).

Smart Card User: means a User who accesses the Service via a Smart Card.

Software: means the middleware software used in the operation of the Service that facilitates communication between a Smart Card and Smart Card-enabled higher applications.

Sponsoring Bank: means Lloyds Bank plc. Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales (company no. 2065).

Submission: means a payment file transmitted to Bacs for processing.

Terms and Conditions: means the Terms and Conditions in relation to Your use of the Service, as set out in this document, and the other documents referred to in it (including, without limitation, the Instructional Materials).

Thin Client Model: applies where You are a Commercial Computer Bureau:

(i) which uses the Service to authenticate Transmissions; and

(ii) whose customers use the PKI service of another member of Bacs to authenticate payment instructions to You.

Transmissions: (see 'Bacstel-IP Transmission' above).

Us: means the Bank (and shall be deemed to include the Sponsoring Bank) including its subcontractors and "We" and "Our" shall be interpreted accordingly.

User Guide: means the guidelines that We provide from time to time in connection with Your operation of the Service, including:

- guidance in hard copy form (for example, in a user manual or by letter);
- spoken guidelines (through any technical helpdesks We may operate);
- guidance through any on-line help service available as part of the Service; and
- any updates of any of the above items; and,
- any other information provided by Bacs

Viruses: means viruses, worms, Trojan horses, malicious code, locking or destructive mechanisms or any thing or things similar to any of the foregoing or analogous to them.

Writing: for the purposes of these Terms and Conditions, means all forms of written communication, including electronic communication (not excluding email and fax).

You/Your: means the Organisation which is a customer of the Bank and which becomes registered with Us for the use of the Service.

Your System: means the electronic equipment or other device used by Contacts to access the Service.

www.lloydsbankcommercial.com

Please contact us if you'd like this in Braille, large print or on audio tape

We accept calls via Text Relay
We may monitor or record phone calls with you in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

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Regulated by the Jersey Financial Services Commission. We abide by the Jersey Code of Practice for Consumer Lending.
The Isle of Man branch of Lloyds Bank International Limited is licensed by the Isle of Man Financial Supervision Commission and registered with the Insurance and Pensions Authority in respect of General Business.
The Guernsey branch of Lloyds Bank International Limited is licensed to conduct banking, investment and insurance intermediary business by the Guernsey Financial Services Commission under the Banking Supervision (Bailiwick of Guernsey) Law 1994, the Protection of Investors (Bailiwick of Guernsey) Law 1987 and the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law 2002.